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**For Immediate Release**

**AMERICAN HOMEPATIENT REPORTS FINANCIAL RESULTS FOR  
THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2003**

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BRENTWOOD, Tenn. (August 13, 2003) – American HomePatient, Inc. (OTC: AHOM) today reported net income of \$4.5 million and revenues of \$82.9 million for the second quarter ended June 30, 2003. For the six months ended June 30, 2003, the Company reported net income of \$8.9 million and revenues of \$165.4 million.

The Company's net income of \$4.5 million for the second quarter of 2003 compares to a net loss of \$(0.1) million for the second quarter of 2002. Net income for the current quarter includes approximately \$2.0 million of reorganization items related to the bankruptcy reorganization and excludes approximately \$5.0 million in non-default interest expense and related fees that would have been paid during the period had the Company not sought bankruptcy protection.

The Company's net income of \$8.9 million for the first six months of 2003 compares to a net loss of \$(66.9) million for the first six months of 2002. Net income for the first six months of 2003 includes approximately \$2.9 million of reorganization items and excludes approximately \$10.0 million of non-default interest expense and related fees that would have been paid during the period had the Company not sought bankruptcy protection. The Company's net loss of \$(66.9) million for the six months ended June 30, 2002 includes a \$68.5 million charge for the cumulative effect of a change in accounting principle associated with the Company's adoption of Statement of Financial Accounting Standards No. 142 ("Goodwill and Other Intangible Assets"), an income tax benefit of \$1.9 million, and a gain on the sale of the assets of an infusion center of \$0.7 million. Excluding these items in 2002 and excluding the reorganization items in 2003 and including non-default interest expense and related fees in 2003 that the Company would have

paid in 2003 had the Company not sought bankruptcy protection, American HomePatient's net income increased in the first six months of 2003 compared to the first six months of 2002 by approximately \$2.7 million, primarily due to increased same-location revenues and lower bad debt expense.

The Company's revenues of \$82.9 million for the second quarter of 2003 represent an increase of \$3.8 million, or 4.8%, over the second quarter of 2002. The Company's revenues for the first six months of 2003 of \$165.4 million represent an increase of \$6.5 million over the first six months of 2002. In March of 2002, the Company sold substantially all of the assets of an infusion center, which contributed \$1.9 million in revenues during the first six months of 2002.

Excluding the revenues of the sold center in the first six months of 2002, same-location revenues in the first six months of 2003 increased \$8.4 million, or 5.4%, compared to the same period of last year.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a non-GAAP financial measurement that is calculated as revenues less expenses other than interest, taxes, depreciation and amortization. EBITDA for the second quarter of 2003 and for the second quarter of 2002 was \$10.6 million and \$11.7 million, respectively. For the second quarter of 2003, EBITDA, excluding reorganization items of \$2.0 million, was \$12.6 million or 15.2% of revenues. For the second quarter of 2002, EBITDA, excluding Chapter 11 financial advisory expenses incurred prior to filing bankruptcy of \$0.3 million and other income of \$0.1 million, was \$11.9 million or 15.1% of revenues. For the first six months of 2003, EBITDA, excluding reorganization items of \$2.9 million and other expense of \$0.1 million, was \$23.6 million or 14.2% of revenues. For the first six months of 2002, EBITDA, excluding the cumulative effect of change in accounting principle of \$68.5 million, Chapter 11 financial advisory expenses incurred prior to filing bankruptcy of \$0.3 million, a gain on sale of assets of a center of \$0.7 million, and other income of \$0.2 million, was \$22.4 million or 14.1% of revenues.

Overall, operating expenses increased in the second quarter and first six months of 2003 compared to the second quarter and first six months of 2002 by approximately \$1.2 million and \$2.1 million, respectively, primarily due to personnel-related expenses associated with the hiring of additional account executives to improve the Company's sales and marketing efforts and increased insurance expenses. These expenses were partially offset by lower bad debt expense.

As a percent of revenues, bad debt expense declined from 3.4% in the second quarter of 2002 to 2.7% in the second quarter of 2003 and declined from 4.3% in the first six months of 2002 to 3.2% in the first six months of 2003. The reduction in bad debt expense primarily is the result of continued operational improvements and processing efficiencies at the Company's billing centers.

### **Bankruptcy Proceeding Update**

As announced previously, American HomePatient, Inc. and 24 of its subsidiaries filed voluntary petitions for relief to reorganize under Chapter 11 of the U.S. Bankruptcy Code on July 31, 2002. On July 1, 2003, the Company's plan of reorganization became effective and the Company emerged from bankruptcy protection. Pursuant to the plan, all of the Company's creditors will be paid in full and the shareholders of the Company will retain all of their equity interests in the Company.

As previously announced, the hearing before the Bankruptcy Court on confirmation of the plan of reorganization had been held on April 23–25 and 28–29, 2003, and on May 15, 2003, the Bankruptcy Court entered a memorandum opinion overruling the secured lenders' objections to the plan. On May 27, 2003, the Bankruptcy Court entered an order confirming the plan and on June 30, 2003, the United States District Court in the Middle District of Tennessee rejected the secured lenders' request to stay the effective date of the plan. The secured lenders have appealed the order to confirm the plan. The Company will contest the appeal and seek to have the Bankruptcy Court's confirmed order affirmed on appeal.

American HomePatient, Inc. is one of the nation's largest home health care providers with 289 centers in 35 states. Its product and service offerings include respiratory services, infusion therapy, parenteral and enteral nutrition, and medical equipment for patients in their home. American HomePatient, Inc.'s common stock is currently traded in the over-the-counter market or, on application by broker-dealers, in the NASD's Electronic Bulletin Board under the symbol AHOM.

American HomePatient, Inc. provides information related to non-GAAP financial measurements such as EBITDA and, from time to time, other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of its business. To enable interested parties to

reconcile non-GAAP measures to the Company's GAAP financial statements, the Company clearly defines EBITDA and quantifies all other adjustments to GAAP measurements (see Schedule B). The Company provides EBITDA information, a widely used non-GAAP financial measurement, to assist in analyzing the Company's operating profitability and in comparing the Company to its competitors. The Company provides other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of business in order to assist in comparing the Company's current operating performance to its historical performance. These adjustments typically reflect non-recurring items but sometimes reflect items, such as dispositions of assets and restructuring charges, that are not technically non-recurring but are outside of the ordinary course of operations. Investors should note that such measures may not be comparable to similarly titled measures used by other companies, and investors are encouraged to use this information only in connection with the information contained in the Company's GAAP financial statements.

Certain statements made in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current expectations and include known and unknown risks, uncertainties and other factors, many of which the Company is unable to predict or control, that may cause the Company's actual results or performance to materially differ from any future results or performance expressed or implied by such forward-looking statements. These statements involve risks and uncertainties, including, without limitation, risks and uncertainties regarding the appeal of the confirmed plan from the Company's Chapter 11 proceedings, as well as the operation of the Company following such proceedings. These risks and uncertainties are in addition to other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. Such factors may include the effect of healthcare regulation and reimbursement, government investigations, the ability to retain management, leverage and liquidity, and the effect of competition. The Company cautions investors that any forward-looking statements made by the Company are not necessarily indicative of future performance. The Company is not responsible for updating the information contained in this press release beyond the published date, or for changes made to this document by wire services or Internet services.

**American HomePatient, Inc.**  
**Summary Financial Data**

Schedule A

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Revenues	\$ 82,864	\$ 79,079	\$ 165,371	\$ 158,891
Cost of sales and related services	17,449	15,561	34,742	32,065
Cost of rentals and other revenues, including rental equipment depreciation	8,970	8,580	17,396	16,766
Operating expenses, including bad debt expense	46,018	44,853	93,254	91,189
General and administrative expenses	4,126	4,055	8,672	8,317
Earnings from joint ventures	(1,191)	(1,119)	(2,421)	(2,392)
Depreciation, excluding rental equipment, and amortization	846	1,069	1,771	2,102
Amortization of deferred financing costs	-	719	-	1,543
Interest expense (income), net	22	5,076	(50)	10,191
Other (income) expense, net	-	(65)	94	(169)
Chapter 11 financial advisory expenses incurred prior to filing bankruptcy	-	314	-	314
Gain on sale of assets of center	-	-	-	(667)
<b>Income (loss) from operations before reorganization items, income taxes and cumulative effect of change in accounting principle</b>	<b>6,624</b>	<b>36</b>	<b>11,913</b>	<b>(368)</b>
Reorganization items	2,004	-	2,856	-
<b>Income (loss) from operations before income taxes and cumulative effect of change in accounting principle</b>	<b>4,620</b>	<b>36</b>	<b>9,057</b>	<b>(368)</b>
Provision for (benefit from) income taxes	100	100	200	(1,912)
<b>Income (loss) before cumulative effect of change in accounting principle</b>	<b>4,520</b>	<b>(64)</b>	<b>8,857</b>	<b>1,544</b>
Cumulative effect of change in accounting principle	-	-	-	(68,485)
<b>Net income (loss)</b>	<b>\$ 4,520</b>	<b>\$ (64)</b>	<b>\$ 8,857</b>	<b>\$ (66,941)</b>
<i>Basic income per common share before cumulative effect of change in accounting principle</i>	\$ 0.28	\$ -	\$ 0.54	\$ 0.09
<i>Diluted income per common share before cumulative effect of change in accounting principle</i>	\$ 0.24	\$ -	\$ 0.47	\$ 0.08
<i>Basic income (loss) per common share</i>	\$ 0.28	\$ -	\$ 0.54	\$ (4.10)
<i>Diluted income (loss) per common share</i>	\$ 0.24	\$ -	\$ 0.47	\$ (3.58)

	June 30, 2003	Dec. 31, 2002
Cash & Cash Equivalents	\$ 21,531	\$ 22,827
Restricted Cash	467	67
Net Patient Receivables	54,796	54,183
Other Receivables	1,188	1,254
Total Receivables	55,984	55,437
Other Current Assets	17,743	18,841
Total Current Assets	95,725	97,172
Property and Equipment, net	52,616	50,427
Goodwill, net	121,214	121,214
Other Assets	21,611	22,130
<b>Total Assets</b>	<b>\$ 291,166</b>	<b>\$ 290,943</b>
Accounts Payable	\$ 13,701	\$ 13,267
Other Current Liabilities	16,813	16,850
Total Current Liabilities	30,514	30,117
Liabilities Subject to Compromise	298,797	307,829
Other Liabilities	592	591
<b>Total Liabilities</b>	<b>329,903</b>	<b>338,537</b>
Total Shareholders' Deficit	(38,737)	(47,594)
<b>Total Liabilities and Shareholders' (Deficit)</b>	<b>\$ 291,166</b>	<b>\$ 290,943</b>

**American HomePatient, Inc.****Reconciliation of Non-GAAP Financial Measurements to GAAP Financial Statements**

(In thousands)

	Three Months ended June 30, 2003	Three Months ended June 30, 2002	Six Months ended June 30, 2003	Six Months ended June 30, 2002
Net income (loss)	\$ 4,520	\$ (64)	\$ 8,857	\$ (66,941)
Add:				
Provision for (benefit from) income taxes	100	100	200	(1,912)
Interest expense (income), net	22	5,076	(50)	10,191
Amortization of deferred financing costs	-	719	-	1,543
Depreciation, excluding rental equipment, and amortization	846	1,069	1,771	2,102
Rental equipment depreciation	5,088	4,767	9,829	9,406
Earnings (loss) before interest, taxes, depreciation, and amortization (EBITDA)	\$ 10,576	\$ 11,667	\$ 20,607	\$ (45,611)
Add:				
Cumulative effect of change in accounting principle with no related tax effect	-	-	-	68,485
Reorganization items	2,004	-	2,856	-
Chapter 11 financial advisory expenses incurred prior to filing bankruptcy	-	314	-	314
Gain on sale of assets of center	-	-	-	(667)
Other (income) expense, net	-	(65)	94	(169)
EBITDA, excluding cumulative effect of change in accounting principle, reorganization items, chapter 11 financial advisory expenses incurred prior to filing bankruptcy, gain on sale of assets of center, and other (income) expense, net	<u>\$ 12,580</u>	<u>\$ 11,916</u>	<u>\$ 23,557</u>	<u>\$ 22,352</u>